

FORM 2A Rev 04/01	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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Document Number:
400150416

Oil and Gas Location Assessment

New Location
 Amend Existing Location
 Location#: 421017

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations. This Assessment may be approved as a standalone application or submitted as an informational report accompanying an Application for Permit-To-Drill, Form 2. Approval of this Assessment will allow for the construction of the below specified location; however, it does not supersede any land use rules applied by the local land use authority. This form may serve as notice to land owners and other interested parties, please see the COGCC web site at <http://colorado.gov/cogcc/> for all accompanying information pertinent to this Oil and Gas Location Assessment.

Location ID:
421017

Expiration Date:
06/15/2014

This location assessment is included as part of a permit application.

1. CONSULTATION

This location is included in a Comprehensive Drilling Plan. CDP # _____
 This location is in a sensitive wildlife habitat area.
 This location is in a wildlife restricted surface occupancy area.
 This location includes a Rule 306.d.(1)A.ii. variance request.

2. Operator

Operator Number: 100185

Name: ENCANA OIL & GAS (USA) INC

Address: 370 17TH ST STE 1700

City: DENVER State: CO Zip: 80202-5632

3. Contact Information

Name: Heather Mitchell

Phone: (720) 876-3070

Fax: (720) 876-4070

email: heather.mitchell@encana.com

4. Location Identification:

Name: N. Parachute Number: EMF H17 595

County: GARFIELD

Quarter: SENE Section: 17 Township: 5S Range: 95W Meridian: 6 Ground Elevation: 6449

Define a single point as a location reference for the facility location. This point should be used as the point of measurement in the drawings to be submitted with this application. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 1563 feet FNL, from North or South section line, and 447 feet FEL, from East or West section line.

Latitude: 39.616786 Longitude: -108.070286 PDOP Reading: 2.7 Date of Measurement: 09/21/2010

Instrument Operator's Name: Robert Kay

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

Special Purpose Pits: <input type="checkbox"/>	Drilling Pits: <input type="checkbox"/>	Wells: <input type="text" value="16"/>	Production Pits: <input type="checkbox"/>	Dehydrator Units: <input type="checkbox"/>
Condensate Tanks: <input type="checkbox"/>	Water Tanks: <input type="text" value="18"/>	Separators: <input type="text" value="16"/>	Electric Motors: <input type="text" value="4"/>	Multi-Well Pits: <input type="checkbox"/>
Gas or Diesel Motors: <input type="text" value="3"/>	Cavity Pumps: <input type="checkbox"/>	LACT Unit: <input type="checkbox"/>	Pump Jacks: <input type="checkbox"/>	Pigging Station: <input type="checkbox"/>
Electric Generators: <input type="text" value="3"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="checkbox"/>	Water Pipeline: <input type="text" value="1"/>	Flare: <input type="text" value="1"/>
Gas Compressors: <input type="checkbox"/>	VOC Combustor: <input type="checkbox"/>	Oil Tanks: <input type="checkbox"/>	Fuel Tanks: <input type="text" value="1"/>	

Other: 4 meter houses - see detail list attached

6. Construction:

Date planned to commence construction: 04/01/2011 Size of disturbed area during construction in acres: 7.73
Estimated date that interim reclamation will begin: 08/31/2011 Size of location after interim reclamation in acres: 2.70
Estimated post-construction ground elevation: 6444 Will a closed loop system be used for drilling fluids: Yes
Will salt sections be encountered during drilling: Yes No Is H2S anticipated? Yes No
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes No
Mud disposal: Offsite Onsite Method: Land Farming Land Spreading Disposal Facility
Other: Recycle and bury

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 07/01/2010
Surface Owner: Fee State Federal Indian
Mineral Owner: Fee State Federal Indian
The surface owner is: the mineral owner committed to an oil and gas lease
 is the executer of the oil and gas lease the applicant
The right to construct the location is granted by: oil and gas lease Surface Use Agreement Right of Way
 applicant is owner
Surface damage assurance if no agreement is in place: \$2000 \$5000 Blanket Surety ID _____

8. Reclamation Financial Assurance:

Well Surety ID: 20100017 Gas Facility Surety ID: _____ Waste Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes No
Distance, in feet, to nearest building: 18500, public road: 17760, above ground utilit: 10050
, railroad: 52410, property line: 1428

10. Current Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
Non-Crop Land: Rangeland Timber Recreational Other (describe): _____
Subdivided: Industrial Commercial Residential

11. Future Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
Non-Crop Land: Rangeland Timber Recreational Other (describe): _____
Subdivided: Industrial Commercial Residential

12. Soils:

List all soil map units that occur within the proposed location. Attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to used when segregating topsoil.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.gov/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: Nihill Channery Loam; 46

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

13. Plant Community:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: 08/05/2010

List individual species: _____

Check all plant communities that exist in the disturbed area.

- Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- Alpine (above timberline)
- Other (describe): _____

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: No Yes Was a Rule 901.e. Sensitive Areas Determination performed: No Yes

Distance (in feet) to nearest surface water: 31, water well: 4318, depth to ground water: 40

Is the location in a riparian area: No Yes Was an Army Corps of Engineers Section 404 permit filed No Yes

Is the location within a Rule 317B Surface Water Suppl Area buffer zone:

No 0-300 ft. zone 301-500 ft. zone 501-2640 ft. zone

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: No Yes

15. Comments:

Exxon Mobil owns the surface and Encana owns the minerals. This amendment is to adjust the number of wellheads on the original 2A (22) to the current plan of 16 well heads. An attached revised facilities list and multiwell plan for your reference.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 04/05/2011 Email: heather.mitchell@encana.com

Print Name: Heather Mitchell Title: Regulatory Analsyt

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____

David S. Nesline

Director of COGCC

Date: 6/16/2011

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

Determine what attachments are needed to reduce number of wells from original Form 2A.

Previously approved Form 2A was doc # 400103653.

GENERAL SITE DRILLING COAs:

The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must meet the applicable standards of Table 910-1.

The nearby downgradient hillside must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.

A spill response trailer will be on location 24 hours a day, 7 days a week during construction, drilling, and completion operations to facilitate a timely response to any spills that may occur.

Appropriate heavy equipment (e.g., a backhoe) will be staged at the location during all drilling and completion operations so that any emergency diversions or pits to contain spills can be built immediately upon discovery.

An emergency spill response program that includes employee training, safety and maintenance provisions and current contact information for EnCana, ExxonMobil, COGCC, and CDOW personnel will be implemented during construction, drilling, and completion activities.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above described emergency response program.

All personnel working at the location during all drilling and completion operations will receive training on spill response and reporting. Documentation of this training will be maintained in Encana's office.

At a minimum, weekly spill prevention meetings will be held identifying staff responsibilities in order to provide a quick and effective response to a spill. Appropriate documentation will be maintained in Encana's office.

Encana will conduct daily inspections of equipment for leaks and equipment problems with appropriate documentation retained in Encana's office. All equipment deficiencies shall be corrected. Daily monitoring should end approximately 30 days after well completion and/or after production has been stabilized; however, timely inspections should continue during the production phase.

Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.

Operator will provide an increased testing frequency (at least every thirty (14) days) of blowout prevention equipment (BOPE) during drilling operations.

WATER RESOURCE PROTECTION COAs:

Location is in a sensitive area because of its proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.

Location is in a sensitive area because of the potential for shallow groundwater; therefore a closed loop system (which EnCana has already indicated on the Form 2A) must be implemented.

Location is in a sensitive area because of the potential for shallow groundwater; therefore completion/production pits must be lined.

GENERAL SITE COMPLETION COAs:

Encana will implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.

The completion/flowback fluids pit (located on the EMF F17 595 Pad) must be double-lined. The pit will also require a leak detection system (Rule 904.e).

The completion/flowback fluids pit (located on the EMF F17 595 Pad) must be fenced. If the completion/flowback pit is not closed (either drained and/or backfilled) immediately after well completion, then operator must appropriately net the completion/flowback pit, in a timely manner, and maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into the pit located on the EMF F17 595 Pad. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)).

Encana will submit a secondary and tertiary containment plan to be implemented during fracing operations via sundry notice Form 4 to Dave Kubeczko for review.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of fracing operations.

GENERAL SITE CONSTRUCTION COAs:

Operator will collect baseline and follow-up surface water samples as follows: Prior to drilling and when sufficient water is present in the stream, operator will collect baseline surface water data from immediately down gradient of the oil and gas location. Sampling will occur quarterly at low elevations and biannually at higher elevations. Follow-up surface water data will be collected by sampling the same location beginning in the 2011 calendar year, and to continue for 5 years. COGCC recommends that the water samples be analyzed for the following parameters: pH; alkalinity; specific conductance; major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); BTEX/DRO; TPH; PAH's (including benzo[a]pyrene); and metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the Director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters. Strategically apply fugitive dust control measures, including enforcing established speed limits on ExxonMobil private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

Well pad and access road to the well pad will be gravel surfaced. Operator must install adequately sized culverts that cross any drainages leading to the RSO stream. Operator must ensure secondary containment for any potential volume of fluids that may be released from the pad/access road in the vicinity of all stream, intermittent stream, ditch, and drainage crossings within the mapped RSO boundaries.

The location is in an area of high runoff/run-on potential from the proposed pad area to the north; therefore the pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during and after well pad construction, as well as during all drilling and well completion operations. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff. Slopes with potential for runoff should be stabilized immediately following pad construction.

Because of proximity of the well pad to both nearby surface water (stream mapped as a cutthroat trout restricted surface occupancy (RSO) approximately 100 feet to the south) and steep slopes to the north, operator will grade the well pad surface to slope away from the stream towards a central collection point on the well pad.

ONSITE CONSULTATION:

If there are any changes to the site and/or access road plans, the operator must submit professional engineer (PE) approved/stamped updated/revised Construction Layout Drawings for the well pad and access road (plan view and cross-sections) showing stormwater and secondary containment BMPs via a Form 4 Sundry Notice to Dave Kubeczko. These plans will need to be approved prior to operator starting construction of either the access road and/or well pad. An updated Location Drawing must also be submitted after approval of Construction Drawings by COGCC.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

GENERAL SITE PRODUCTION COAS:

Use solar panels as an alternative energy source for on-location production equipment, where appropriate, economically and technically feasible.

Use multiple gathering lines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible.

Interim reclamation shall begin during the first appropriate planting season following completion/testing of the last well; unless a determination is made that subsequent wells will be permitted and drilled. Reclamation practices will be subject to approval by the surface owner.

Final reclamation shall begin during the first appropriate planting season following plugging, using practices approved by surface owner.

Reclamation reference areas will be based on the North Parachute Ranch Vegetation Reference Study (October 2009) as approved by surface owner.

Attachment Check List

Att Doc Num	Name
2033683	CORRESPONDENCE
400150416	FORM 2A SUBMITTED
400150431	MULTI-WELL PLAN
400150432	EQUIPMENT LIST

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
DOW	The COAs and BMPs submitted by the operator are appropriate for the site and species effected. by Michael Warren on Thursday, April 7, 2011 at 9:15 A.M.	4/7/2011 9:13:14 AM
OGLA	Initiated/Completed OGLA Form 2A review on 04-06-11 by Dave Kubeczko; requested clarifications and acknowledgement of fluid containment, spill/release BMPs, flowback to tanks, tank berming, cuttings low moisture content, sediment control, stream protection, and lined pits/closed loop COAs from operator on 04-06-11; received clarifications and acknowledgement of COAs from operator on 04-06-11; passed by CDOW on 04-07-11 with operator submitted BMPs (with permit application) acceptable; passed OGLA Form 2A review on 04-28-11 by Dave Kubeczko; fluid containment, spill/release BMPs, flowback to tanks, tank berming, cuttings low moisture content, sediment control, stream protection, and lined pits/closed loop COAs.	4/6/2011 4:01:43 PM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Planning	Strategically apply fugitive dust control measures, including enforcing established speed limits on Encana private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

Wildlife	<p>EnCana will implement the following species-specific best management practices (BMPs) for raptors:</p> <ol style="list-style-type: none">i. Conduct annual surveys for occupied nests and unoccupied nests beginning 2010 and continuing through the period of active development.ii. Apply disturbance buffers described in the document Recommended Buffer Zones and Seasonal Restrictions (CDOW) prior to commencing new construction and drilling or completion operations near occupied nests.iii. Schedule the commencement of disturbance for the time of year outside of average breeding seasons for the species of concern, if the duration of operations on a location prevents seasonal avoidance (e.g., during drilling and completion operations that exceed 12 months per location).
Construction	<p>Use solar panels as an alternative energy source for on-location production equipment, where appropriate, economically and technically feasible.</p> <p>Use multiple gathering lines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible.</p> <p>Install trench plugs (sloped to allow wildlife or livestock to exit the trench should they enter) at known wildlife or livestock trails to allow safe crossing on long spans of open trench, where appropriate, economically and technically feasible.</p> <p>Install pipeline crossings at right angles to the drainages, wetlands, and perennial water bodies, where appropriate, economically and technically feasible.</p> <p>Limit in-stream construction activity to 24-hours for water bodies less than ten feet wide and to 48-hours for water bodies greater than ten feet wide at locations where horizontal boring is not feasible, where appropriate, economically and technically feasible.</p> <p>Maintain a minimum of five feet of soil cover between the pipeline and the lowest point of the drainage or water body channel.</p>
Wildlife	<p>EnCana has proposed the following mitigations measure for the east Middle Fork project area:</p> <ol style="list-style-type: none">i. \$10,000 for habitat improvement project on Trapper Creek.ii. \$250,000 in escrow to cover any potential damages. Utilization of the escrow account will be determined by the monitoring outlined in the Watershed Management Plan.iii. Watershed Management Plan (the details of the watershed management plan will be finalized by February 15, 2011) for EMF that will include: macro-invertebrate sampling; water quality sampling; stormwater management plan; and weed control/reclamation guidance and documentation.
Wildlife	<p>EnCana will implement the following general best management practices (BMPs) for the site:</p> <ol style="list-style-type: none">i. Prohibit EnCana employees and contractors from carrying projectile weapons on ExxonMobil's property.ii. Prohibit pets on ExxonMobil's property.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

Wildlife	<p>Encana Oil & Gas (USA) Inc. (Encana) will conduct the following studies and sampling efforts beginning in 2011 and continuing a minimum of five years:</p> <ul style="list-style-type: none">i. Biannual macro-invertebrate sampling.ii. Water sampling to monitor for changes in water quality. Prior to drilling, operator will collect baseline surface water data from immediately down gradient of the oil and gas location. Sampling will occur quarterly at low elevations and biannually at higher elevations. Follow-up surface water data will be collected by sampling the same location beginning in the 2011 calendar year, and continue for 5 years.iii. Use two or more stormwater best management practices to control sediment runoff and control or contain any potential spills, wherever surface disturbance must occur within a riparian habitat, as defined by the presence of riparian associated vegetation.iv. Maintain spill response kits at strategic locations adjacent to riparian areas.v. Utilize existing head gates and analyze the strategic use of additional head gates on road culverts as a tertiary containment (these are not the culverts in the waterway but draining to the waterway during storm events).vi. Encana will coordinate access in a safe and timely manner when ExxonMobil permits Colorado Division of Wildlife (CDOW) personnel onto the property for fish population sampling.vii. Records relating to water sampling and wildlife surveys will be made available by Encana for review by CDOW during an annual meeting with CDOW. However, Encana will not relinquish to CDOW or Colorado Oil & Gas Commission (COGCC) any data or report related to the East Middle Fork (EMF) Project that is not public information.
Wildlife	<p>Prohibit Encana employees and contractors from carrying projectile weapons, except during company organized events.</p> <p>Prohibit pets on property.</p> <p>Use enclosed, locking garbage receptacles or implement a strict daily trash removal regime on each temporary or permanent work location.</p>

Total: 7 comment(s)